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## Macroeconomic indicators - India can not handle high fiscal deficit for long - FM

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Finance Minister Pranab Mukherjee has said that India will not be able to sustain high fiscal deficit in the long run, but he did not give any timeframe for withdrawing the stimulus measures that inflated the deficit.

As Prime Minister Manmohan Singh shared with industry leaders in New Delhi his government's intent to wind down stimulus measures next year, Mukherjee told reporters in St Andrews, Scotland, that he had already told Parliament high fiscal deficit was not sustainable in the long run.

India's fiscal deficit is projected to be 6.8% of GDP this fiscal consequent to duty sops given last year to the industry to insulate it from the effects of the global economic crisis.

Mr Mukherjee said that efforts would be made to reduce fiscal deficit to four per cent of the GDP and revenue deficit to 1.5% by 2012.

Echoing the sentiments expressed by the Prime Minister, Mr Mukherjee said that the economy would grow by more than 7% next fiscal. He said that "In the next year, we will have growth projection of more than seven per cent."

With regard to the current fiscal, he said the country was likely to register an economic expansion of 6.5% less than the 6.7% recorded in 2008-09.

(Sourced from PTI)

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